

# **NJ TRANSIT**

## **CORPORATE-WIDE POLICY**

NUMBER	EFFECTIVE DATE
<b>2.03</b>	<b>03/06/95</b>

SUPERSEDES
<b>2.03 11/02/92</b>

MANUAL	SOURCE	KEY SUBJECT
<b>General Administration</b>	<b>Corporate Affairs</b>	<b>Code of Ethics</b>

TITLE

### **CODE OF ETHICS**

APPLIES TO

**All NJ TRANSIT Employees**

APPROVAL(S)

### **PURPOSE**

Pursuant to the New Jersey Conflicts of Interest Law the New Jersey Transit Corporation (NJ TRANSIT), on November 16, 1993, adopted for its members and employees and those of its subsidiaries, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc. and NJ TRANSIT Rail Operations, Inc., the following Code of Ethics, which supersedes in its entirety the Code of Ethics previously adopted by the Agency on April 15, 1981.

### **DEFINITIONS**

1. As used in this Code, the following terms shall have the following meaning:
  - (a) "Agency" means the New Jersey Transit Corporation or any subsidiary thereof as those terms are defined under the enabling legislation (N.J.S.A. 27:25-1 et seq.).
  - (b) "Board Member" means any person appointed to the NJ TRANSIT Board of Directors pursuant to N.J.S.A. 27:25-4(b) and (d), including designees of ex-officio members of the Board.
  - (c) "Employee" means any person holding an office or employment at NJ TRANSIT or any of its subsidiaries.
  - (d) "Special State officer or employee" means (1) any person holding an office or employment at the Agency, for which office or employment no compensation is authorized or provided by law, or no compensation other than a sum in reimbursement of expenses, whether payable per diem or per annum, is authorized or provided by law, (2) any person, not a member of the Legislature, holding a part-time elective or appointive office or employment at the Agency and shall include the four public members of the Board of Directors.

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<p>(e) "State officer or employee" means any person, other than a Special State officer or employee holding an office or employment at the Agency and shall include, but not be limited to, all ex-officio members of the Board of Directors, all full-time employees of the Agency and its Executive Director.</p> <p>(f) "Person" means any natural person, association, partnership or corporation.</p> <p>(g) "Interest" means (1) the ownership or control of more than 10 percent of the profits or assets of a firm, association, or partnership, or more than 10 percent of the stock in a corporation for profit other than a professional service corporation organized under the "Professional Service Corporation Act," P.L. 1969, c.232 (C.14A-17-1 <u>et seq.</u>); or (2) the ownership or control of more than one percent of the profits of a firm, association or partnership, or more than one percent of the stock in any corporation, which is the holder of, or an applicant for, a casino license or in any holding or intermediary company with respect thereto, as defined by the "Casino Control Act," P.L. 1977, c.110 (C.5:12-1 <u>et seq.</u>). The provisions of this code governing the conduct of individuals are applicable to shareholders, associates or professional employees of a professional service corporation regardless of the extent or amount of their shareholder interest in such a corporation.</p> <p>(h) "Cause, proceeding, application or other matter" means a specific cause, proceeding or matter and does not mean or include determinations of general applicability or the preparation or review of legislation which is no longer pending before the Legislature or the Governor.</p> <p>(i) "Member of the immediate family" of any person means the person's spouse, child, parent or sibling residing in the same household.</p>			
<p><b><u>POLICY</u></b></p> <p>2. Whenever possible, this Code of Ethics shall be applied and interpreted in a manner consistent with common practice in the public transportation industry.</p> <p>3. All Board Members and employees of the Agency and other persons subject to the provisions of this Code of Ethics, shall be governed by the following general standards:</p> <p>(a) No Board Member or Employee shall have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, which is in substantial conflict with the proper discharge of his/her duties in the public interest. (See <u>N.J.S.A. 52:13D-23(e)(1)</u>).</p>			

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<p>(b) No Board Member or Employee shall engage in any particular business, profession, trade or occupation which is subject to licensing or regulations by a specific agency of State government without promptly filing notice of such activity with the Executive Commission on Ethical Standards. (See <u>N.J.S.A. 52:13D-(e)(2)</u>).</p> <p>(c) No Board Member or Employee shall use or attempt to use his/her official position to secure unwarranted privileges or advantages for himself/herself or others. (See <u>N.J.S.A. 52:13D-23(e)(3)</u>).</p> <p>(d) No Board Member or Employee shall act in his/her official capacity in any matter wherein he/she has a direct or indirect personal financial interest that might reasonably be expected to impair his/her objectivity or independence of judgment. (See <u>N.J.S.A. 52:13D-23(e)(4)</u>).</p> <p>(e) No Board Member or Employee shall undertake any employment or service, whether compensated or not, which might reasonably be expected to impair his/her objectivity and independence of judgment in the exercise of his/her official duties. (See <u>N.J.S.A. 52:13D-23(e)(5)</u>).</p> <p>(f) No Board Member or Employee shall accept any gift, favor, service or other thing of value under circumstances from which it might be reasonably inferred that such gift, service or other thing of value was given or offered for the purpose of influencing him/her in the discharge of his/her official duties. (See <u>N.J.S.A. 52:13D-23(e)(6)</u>).</p> <p>(g) No Board Member or Employee shall knowingly act in any way that might reasonably be expected to create an impression or suspicion among the public having knowledge of his/her acts that he/she may be engaged in conduct violative of his/her trust as a State Officer or Employee or Special State Officer or Employee. (See <u>N.J.S.A. 52:13D-23(e)(7)</u>).</p> <p>4. No Board Member or Employee shall accept from any person, whether directly or indirectly and whether by himself/herself or through his/her spouse or any member of his/her family or through any partner, or associate, any gift, favor, service, employment or offer of employment or any other thing of value which he/she knows or has reason to believe is offered to him/her with intent to influence him/her in the performance of his/her public duties and responsibilities. This section shall not apply to the acceptance of contributions to the campaign of an announced candidate for public office. (See <u>N.J.S.A. 52:13D-14</u>).</p>			

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5. No Board Member or Employee shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, whether by himself/herself or by or through any partnership, firm or corporation in which he/she has an interest or by any partner, officer or employee of any such partnership, firm or corporation, any person or party other than the Agency in any negotiations for the acquisition or sale by the Agency of any interest in real or tangible or intangible personal property, or in any proceedings relative to such acquisition or sale before a condemnation commission or court; provided, however, nothing contained in this section shall be deemed to prohibit any person from representing himself/herself in negotiations or proceedings concerning his/her own interest in real property. (See N.J.S.A. 52:13D-15).

6. No Special State Officer or Employee (including the four public Board Members of the Agency) nor any partnership, firm or corporation in which he/she has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for or negotiate on behalf of, any person or party other than the Agency in connection with any cause, proceeding, application or other matter pending before the Agency. (See N.J.S.A. 52:13D-16(a)).

7. No State Officer or Employee nor any partnership, firm or corporation in which he/she has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding application or other matter pending before any State agency. This section shall not be deemed to prohibit any partnership, firm or corporation in which any such person has an interest from appearing on its own behalf before any State agency.

8. Nothing contained in section 6 or 7 hereof shall be deemed to prohibit any Board Member or Employee from representing, appearing for or negotiating on behalf of, or agreeing to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any proceeding:

- (1) Pending before any court of record of this State;
- (2) In regard to a claim for compensation arising under Chapter 15 of Title 34 of the Revised Statutes (Worker's Compensation);
- (3) In connection with the determination or review of transfer inheritance or estate taxes;
- (4) In connection with the filing of corporate or other documents in the Office of the Secretary of State;
- (5) Before the Division on Civil Rights or any successor thereof;
- (6) Before the New Jersey State Board of Mediation or any successor thereof;
- (7) Before the New Jersey Public Employment Relations Commission or any successor thereof;

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<p>(8) Before the Unsatisfied Claim and Judgment Fund Board or any successor thereof solely for the purpose of filing a notice of intention pursuant to P.L. 1952, c.174, §5 (C.39:6-65); or</p> <p>(9) Before any State agency on behalf of a county, municipality or school district, or any authority, agency or commission of any thereof except where the State is an adverse party in the proceeding and provided he/she is not holding any office or employment in the State agency in which any such proceeding is pending. (See <u>N.J.S.A. 52:13D-16(c)</u>).</p> <p>9. No Board Member or Employee, subsequent to the termination of his/her office or employment with the Agency, shall represent, appear for, negotiate on behalf of, or provide information not generally available to members of the public or services to, or agree to represent, appear for, negotiate on behalf of, or provide information not generally available to members of the public or services to, whether by himself/herself or through any partnership, firm or corporation in which he/she has an interest or through any partner, officer or employee thereof, any person or party other than the State, including the Agency in connection with any cause, proceeding, or application or other matter with respect to which such member or employee shall have made any investigation, rendered any ruling, given any opinion, or been otherwise substantially and directly involved at any time during the course of his office or employment. Pursuant to <u>N.J.S.A. 52:13D-17</u>, any person who willfully violates the provisions of this section of this Code is a disorderly person and shall be subject to a fine not to exceed \$500.00 or imprisonment not to exceed six (6) months or both. (See <u>N.J.S.A. 52:13D-17</u>)).</p> <p>10. (a) No State officer or employee shall knowingly himself/herself or by his/her partners or through any corporation which he/she controls or in which he/she owns or controls more than one percent of the stock, or by any other person for his/her use or benefit or on his/her account, undertake or execute, in whole or in part, any contract, agreement, sale or purchase of the value of \$25.00 or more, made, entered into, awarded or granted by an State agency, except as provided in subsection (c) this section. (See <u>N.J.S.A. 52:13D-19a</u>)).</p> <p>(b) No Special State officer or employee having any duties or responsibilities in connection with the purchase or acquisition of property or services by the Agency shall knowingly himself/herself, by his/her partners or through any corporation which he/she controls or in which he/she owns or controls more than one percent of the stock, or by any other person for his/her use or benefit or on his/her account, undertake or execute, in whole or in part, any contract, agreement, sale or purchase of the value of \$25.00 or more, made, entered into, awarded or granted by the Agency except as provided in subsection (c) of this section. (See <u>N.J.S.A. 52:13D-19(a)</u>).</p> <p>(c) The provisions of subsections (a) and (b) of this section shall not apply to:</p> <p>(1) purchases, contracts, agreements or sales which (1) are made or let after public notice and competitive bidding or which (2) pursuant to section 5 of chapter 48 of the Laws of 1944 (Ch. 52:34-10) or such other similar provisions contained in the public bidding laws</p>			

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<p>or regulations applicable to the Agency, may be made, negotiated or awarded without public advertising or bids, or any contract of insurance entered into by the Director of the Division of Purchase and Property pursuant to section 10 of article 6 of chapter 112 of the Laws of 1944 (Ch.52:27B-62).</p> <p>(2) if such purchases, contracts or agreements, or contract of insurance including any change order and amendment thereto, shall require the prior approval of the Executive Commission on Ethical Standards if the member or employee has an interest therein. (See <u>N.J.S.A. 52:13D-19(b)</u>).</p> <p>11. No Board Member or Employee shall act as officer or agent for the Agency for the transaction of any business with himself/herself or with a corporation, company, association, or firm in the pecuniary profits of which he/she has an interest (except that ownership or control of ten percent or less of the stock of a corporation shall not be deemed an interest within the meaning of this section. (See <u>N.J.S.A. 52:13D-20</u>)).</p> <p>12. No Board Member or Employee shall solicit, receive, or agree to receive, whether directly or indirectly, any compensation, reward, employment, gift or other thing of value from any source other than the Agency or the State of New Jersey for any service, advice, assistance or other matter related to his/her official duties except reasonable fees for speeches or published works on matters within his/her official duties and except, in connection therewith, reimbursement of actual expenditures for travel and reasonable subsistence for which no payment or reimbursement is made by the Agency or the State of New Jersey. This section shall not apply to the solicitation or acceptance of contributions to the campaign of an announced candidate for elective public office. (See <u>N.J.S.A. 52:13D-24</u>).</p> <p>13. No Board Member or Employee shall receive travel and subsistence expenses from people or private organizations or corporations doing business with the Agency.</p> <p>14. No Board Member or Employee shall willfully disclose to any person, whether or not for pecuniary gain, any information not generally available to members of the public which he/she receives or acquires in the course of and by reason of his/her official duties. No board member or employee shall use for the purpose of pecuniary gain, whether directly or indirectly, any information not generally available to members of the public which he/she receives or acquires in the course of and by reason of his/her official duties. (See <u>N.J.S.A. 52:13D-25</u>).</p> <p>15. (a) No State officer or employee of the Agency, or any member of their immediate families, or any partnership, firm or corporation with which any State officer or employee is associated or in which he/she has an interest, or any partner, officer, director, or employee or person while he/she is associated with such partnership, firm or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or</p>			

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<p>represent, appear for or negotiate on behalf of any holder of or applicant for a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application or matter (See <u>N.J.S.A. 52:13D-17.2(b)</u>), except that a State officer or employee other than a State officer or employee included in the definition of a person, a member of the immediate family of a State officer or employee, or person, may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the Executive Commission on Ethical Standards, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person. For the purposes of this subparagraph, the term "person" shall have the same meaning as the definition of that term set forth in <u>N.J.S.A. 52:13D-17.2(a)</u></p> <p>(b) No special State officer or employee without responsibility for matters affecting casino activity, excluding those serving in the Departments of Education, Health, Higher Education and Human Services, shall hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application, or matter. (See N.J.S.A. 52:13D-17.2(b)).</p> <p>(c) No State officer or employee of the Agency who is subject to financial disclosure by law or executive order or any State officer or employee or special State officer or employee of the Agency who has responsibility for matters affecting casino activity, or any member of his/her immediate family, or any partnership, firm or corporation with which such person is associated or in which he/she has an interest, or any partner, officer, director or employee while he/she is associated with such partnership, firm or corporation, shall, within two years next immediately following termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for or negotiate on behalf of any holder of, or applicant for, a casino license in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development permitting, licensure or any other matter whatsoever related to casino activity (See <u>N.J.S.A. 52:13D-17.2(c)</u>), except that a member of the immediate family of such an individual may hold employment with the holder of, or applicant for, a casino license if, in the judgment of the Executive Commission on Ethical Standards, such employment will not interfere with the responsibilities of the State officer or employee, or person, and will not create a conflict of interest, or reasonable risk of the public perception of a conflict of interest, on the part of the State officer or employee, or person.</p> <p>16. Any Board Member or Employee found guilty by the Executive Commission on</p>			

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<p data-bbox="381 228 1482 373">Ethical Standards of violation of any provisions of the Conflicts of Interest Law or of this Code of Ethics shall, for each violation, be fined not less than \$100.00 or more than \$500.00 and may be suspended from his/her office or employment by order of the Commission for a period not in excess of one year.</p> <p data-bbox="332 415 1482 632">If the Commission finds that the conduct of the employee constitutes a willful and continuous disregard of the provisions of the Conflicts of Interest Law or this Code, it may order such person removed from his/her office or employment and may further bar such person from holding any public office or employment in this State in any capacity whatsoever for a period of not exceeding five years from the date on which he/she was found guilty by the Commission.</p> <p data-bbox="332 674 1482 743">These penalties may be in addition to any other punishment provided by law. See <u>N.J.S.A. 52:13D-21(i)</u>.</p> <p data-bbox="332 785 1482 892">In addition to the above, Employees who violate this Code of Ethics are subject to disciplinary action by the Agency, which may include but not be limited to letter of reprimand, salary reduction, suspension, demotion or removal.</p> <ol style="list-style-type: none"> <li data-bbox="240 934 1482 1108">17. Each employee shall annually disclose their outside employment and/or business interest on the appropriate Outside Employment and Activities form and in accordance with the applicable policy. All such disclosures related to an employee's employment at NJ TRANSIT shall be forwarded to the Executive Commission on Ethical Standards for review.</li> <li data-bbox="240 1150 1482 1409">18. When a Board member determines that he/she has a conflict of interest with regard to a particular matter, he/she should immediately recuse himself/herself from any discussion or vote regarding the matter. If a Board member has a question about a possible conflict of interest, he/she should discuss the matter with the NJ TRANSIT Ethics Officer, the Executive Commission on Ethical Standards and/or the Office of the Attorney General and thereafter take whatever action is deemed appropriate.</li> <li data-bbox="240 1451 1482 1558">19. When an issue arises with regard to an alleged or possible conflict of interest by a Board member, the issue will be presented to the Executive Commission on Ethical Standards who shall decide what further action is deemed appropriate.</li> <li data-bbox="240 1600 1482 1927">20. Basic to this Code of Ethics is the recognition that under our democratic form of government public officials and employees should be drawn from all of our society, that citizens who serve in government cannot and should not be expected to be without any personal interest in the decisions and policies of government; that citizens who are government officials and employees have a right to private interests of a personal, financial and economic nature; that standards of conduct should separate those conflicts of interest which are unavoidable in a free society from those conflicts of interest which are substantial and material, or which bring government into disrepute.</li> </ol> <p data-bbox="240 1969 553 1997"><b><u>CROSS REFERENCE</u></b></p>			



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State Law

New Jersey Conflict of Interest Law P.L. 1977, c.182 (C.52:13D-12 et seq.)

N.J.S.A. 27:25-1 et seq.

N.J.S.A. 27:25-4(b) and (d)

Professional Service Corporation Act, P.L. 1969, c.232 (C.14A-17-1 et seq.)

Casino Control Act, P.L. 1977, c.110 (C.5:12-1 et seq.)

P.L. 1952, c.174, 5 (C.39:6-65)

Section 5 of chapter 48 of the Laws of 1944 (Ch. 52:34-10)

Section 10 of article 6 of chapter 112 of the Laws of 1944 (Ch.52:27B-62)